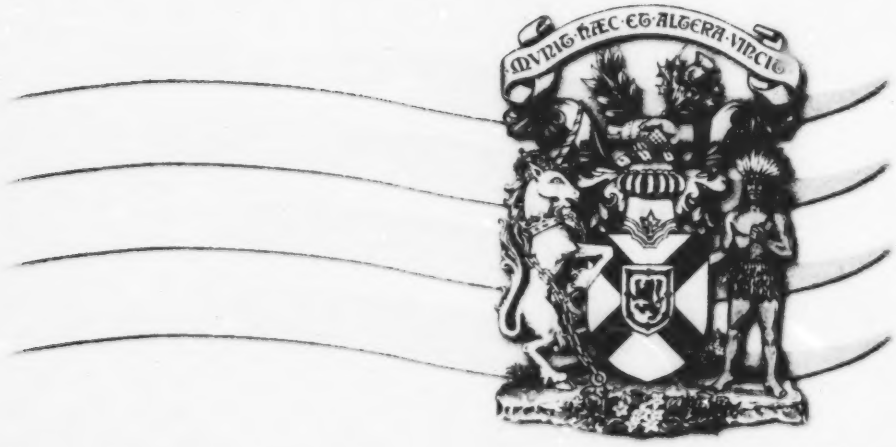
Annual Accountability
REPORT



for the fiscal year **2000-01**

PROVINCE OF NOVA SCOTIA

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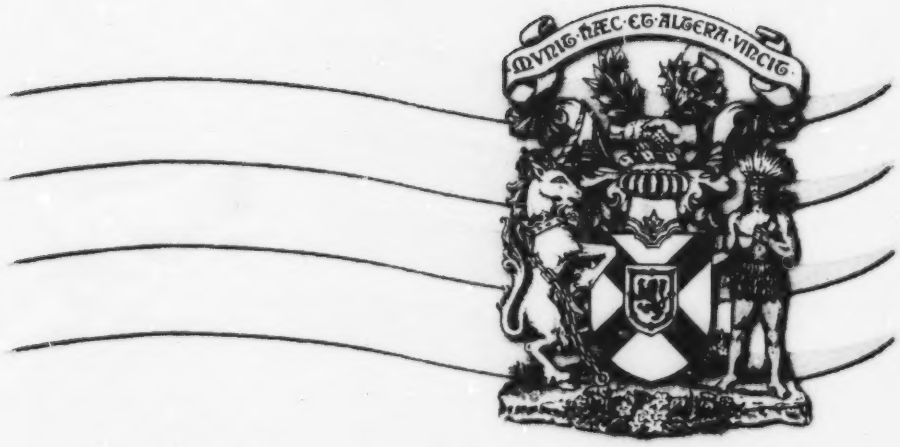

Annual Accountability

REPORT

NOVA SCOTIA

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For further information about the Government of Nova Scotia's Annual Accountability Document, please contact:

Government of Nova Scotia
PO Box 1617
Halifax, Nova Scotia
Canada B3J 2Y3

Telephone: (902) 424-8910
Fax: (902) 424-7638
E-mail: tuckercm@gov.ns.ca

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Message from Premier John Hamm

I am pleased to present the Government of Nova Scotia's Annual Accountability Report for the fiscal year 2000–01.

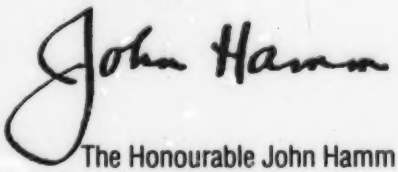
This report demonstrates government's commitment to be accountable to Nova Scotians. It gives Nova Scotians the opportunity to judge if government is on the right track in meeting their priorities. Just as important, it allows them to assess if our actions match our words.

I believe we made considerable progress in 2000–01 toward making Government of Nova Scotia programs and services more effective, more efficient, and more responsive to the needs of Nova Scotians.

We took steps to reduce the size, scope, and cost of government, while maintaining a focus on good service delivery, particularly in key areas such as health care. We ensured that, for the first time, Nova Scotians had a true and complete picture of the state of the province's finances. And we defined substantial new policies and initiatives in social services and economic development that will leave a positive legacy for many years to come.

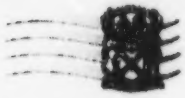
We can be proud of these and many other accomplishments in 2000–01, particularly given the fiscal challenges we face. I would like to acknowledge the efforts of thousands of Nova Scotians, in the Nova Scotia public service and beyond, who are working to make Nova Scotia the best place to live, work, and do business—now and in the future.

Sincerely,



The Honourable John Hamm
Premier of Nova Scotia

Annual Accountability Report



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Annual Accountability Report

Introduction

In the spring of 2000, the Government of Nova Scotia published *The Course Ahead*, the government business plan for the year 2000–01.

The *Course Ahead* described the fiscal, economic, and social challenges facing Nova Scotians and proposed a government direction and plan for policies and programs to respond to those challenges—in 2000–01 and beyond.

It noted the importance of treating Nova Scotians fairly no matter where they live, of giving them good service and value for their tax dollars, and of improving accountability for government spending.

Specifically, *The Course Ahead* referenced the need to

- bring fiscal stability to Nova Scotia
- develop a healthy Nova Scotia in the broadest and truest sense of the word
- create an organizational structure to ensure effective government operations and delivery of government services
- make education a foundation for individual and societal success
- promote accountable and accessible health care
- help Nova Scotians who are dependent on assistance to make the transition to self-sufficiency and independence
- create a strategic environment for business, by reducing red tape and creating an economic climate that encourages business to thrive

During 2000–01, the goals of *The Course Ahead* were further articulated as follows:

- to put—and keep—Nova Scotia's finances in order
- to put crucial services—health, education, social services—on a sustainable foundation
- to provide responsible, accountable governance
- to create conditions that help the economy grow
- to provide Nova Scotians with opportunities to learn throughout their lives, so they can continue to succeed in a rapidly changing world
- to foster an environment that allows and encourages Nova Scotians to work, live, raise families, and stay in Nova Scotia

Considerable progress was made toward achieving these goals in 2000–01, through a wide range of policies, programs, and legislation undertaken throughout government.

One key initiative was the passage of legislation requiring annual reporting on government activities. Provisions of the Financial Measures (2000) Act require government to produce an annual report by December 31 following a fiscal year. Government in 2000–01 extended this requirement to all government departments and agencies that produce business plans each spring. Other government-funded entities will be expected to adopt a planning and budgeting framework over time.

This is the first *Annual Accountability Report* produced by the Government of Nova Scotia under this legislation. As with the business plan on which it is based, it is designed to give an overview of government activities. Further detail is available in separate annual accountability reports, which reflect back on each department's individual business plans for 2000–01, and are available on each department's website.

These reports are intended to account for the results of government programs and spending in 2000–01. They look at the goals and initiatives planned in the spring of 2000 and report on whether they were achieved and with what result. If a plan did not proceed, they note why. And they identify other significant events undertaken during the year that may not have been included in the original overview document.

It should be noted that while many of the initiatives have continued and progressed in fiscal 2001–02, this report reflects progress only up to the end of March 2001.

Detailed financial results on the Government of Nova Scotia's performance in 2000–01 are published in a separate report: *Public Accounts for the Fiscal Year 2000–2001*, which was released November 16, 2001.

Fiscal Stability

Goal: To put—and keep—Nova Scotia's finances in order

Significant Accomplishments

- Fiscal targets achieved
- Cost-reduction measures introduced in departments
- Generally accepted accounting principles (GAAP) fully adopted
- Accountability measures passed in Financial Measures (2000) Act
- Government accountability framework developed
- Sydney Steel operations discontinued
- Agreement reached on the sale of Nova Scotia Resources Limited
- Tax-on-income system introduced

Government's highest priority in 2000–01 was to lay a strong foundation for eliminating deficit spending. A Four-Year Fiscal Plan was devised to get Nova Scotia back on firm financial footing, specifically to end deficit financing, to balance the books, and to bring Nova Scotians some personal income tax relief in year 4.

Measures were introduced to reduce the size of government and eliminate unnecessary spending in departments, particularly in areas related to administration. Positions were eliminated, where feasible, and policies were put in place to govern department spending.

Full compliance with generally accepted accounting principles, known as GAAP, meant that for the first time, the public accounts/financial statements were accrued and fully consolidated. They now include public sector organizations such as school boards and health boards. In addition, a Tangible Capital Assets policy was adopted to account for government's capital expenditures.

The Government of Nova Scotia launched a formal campaign to pressure the Government of Canada and other provinces to ensure that it receives its fair share of transfers to pay for core services. The Campaign for Fairness highlights the importance of letting Nova Scotians benefit from the province's own resources.

Another significant event was the decision to close the Sydney Steel Corporation (Sysco), a provincial Crown corporation. This will end the accumulation of substantial annual losses, which have added a significant amount to the provincial debt over the years. Sysco recorded losses for its fiscal years ended December 31, 1999 and December 31, 2000 of $34.5 million and $55.7 million respectively.

Plans to sell Sysco collapsed when the intended buyer pulled out of the negotiated deal. In 2000–01, operations wound down and work was under way to dismantle and sell off the assets.

The Government of Nova Scotia reached an agreement to sell Nova Scotia Resources Limited (NSRL) in 2000–01. NSRL had also accumulated large losses over time, which had been added to the province's debt.

In the 2000 taxation year, Nova Scotia moved to a tax-on-income (TONI) system for personal income tax. Personal income tax is calculated as a percentage of an individual's federally defined taxable income, rather than as a percentage of basic federal tax. The move allows Nova Scotia to set its own tax rates, its own personal amounts, and its own brackets, and it gives more flexibility to set the timing and priority of tax cuts.

Public Accounts 2000–01

The 2000–01 public accounts for the Government of Nova Scotia were tabled in the legislature on November 19, 2001. For the first time, the public accounts of the province complied fully with generally accepted accounting principles (GAAP) to ensure full and open disclosure of the province's finances. Also for the first time, Nova Scotia's Auditor General signed off on the public accounts for 2000–01 with an unqualified audit opinion.

The 2000–01 public accounts show that increased revenues helped the government narrow the deficit gap from a budgeted $268 million to $32 million. This is an improvement on the target for 2000–01 set in government's fiscal plan.

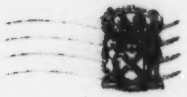
Net proceeds from the sale of Nova Scotia Resources Limited assets provided a one-time gain that resulted in a total reported surplus of $147 million for 2000–01. The proceeds from the sale allowed the government to reduce NSRL's $808 million debt to $435 million.

Net program expenses were $28 million higher than budgeted in 2000–01 but $11 million less than fiscal 1999–2000. Despite higher costs for delivering health care ($61 million), education ($14 million), economic development ($15 million), and community services ($8 million), government took steps to manage costs and achieve its fiscal target.

The province continued to reduce its foreign exchange exposure, down to 30.8 per cent from 35.6 per cent at the start of the year, and on track for the targeted level of 20 per cent by 2005. Debt-servicing costs were lower than budgeted but still accounted for 16 cents of every dollar available. Net direct debt grew to $11.3 billion.

Full details on the Government of Nova Scotia's financial picture can be found in the public accounts documents, which are available on the Government of Nova Scotia website at <http://www.gov.ns.ca/finance/publish.htm>.

Annual Accountability Report



Sustainable Foundation for Social Services

Goal: To put crucial services—health, education, social—on a sustainable foundation

Significant Accomplishments

- Health Authorities Act passed
- Provincial health services plan released
- Single-entry access project started in long-term care
- Employment support and income assistance legislation passed

In 2000–01, the Government of Nova Scotia tackled some long-standing issues in our social service sector by updating legislation and regulations to meet the needs of a modern Nova Scotia.

These sectors had been experiencing rapidly increasing costs, and the government identified several immediate needs:

- to develop more reliable systems to track, define and control these costs
- to replace inadequate and outdated legislation in the social service sector
- to encourage good management and ensure appropriate delivery of all social services to Nova Scotians who need them.

By the end of fiscal 2000–01, the departments of Community Services and Health had each developed and started to implement the Government of Nova Scotia's new vision for social services.

Accountable and Accessible Health Care

In 2000–01, the Government of Nova Scotia envisioned a dependable, caring health system that provides the right response by the right care provider in the right place and at the right time.

The Department of Health, along with its many service providers and partners, focused on the following health objectives:

- better health—improving the health status of Nova Scotians
- improved service—improving the quality of health care services and making the system more responsive to community needs
- system sustainability—effectively using resources and being accountable to the public.

The overall goal is to provide Nova Scotians with appropriate care, where and when they need it, while resisting the pressure to deliver expensive services that they do not need.

A new model for delivering health care services was developed in 2000–01 to

support these goals and objectives. It was designed to ensure that decisions about the care of Nova Scotians are based on research-based evidence and good management practices. This approach will make the most of the $1.8 billion spent each year on health care.

Health Care Transition

The Government of Nova Scotia introduced comprehensive legislation to replace the regional health board structure with nine District Health Authorities (DHAs) and to give local communities a stronger voice in local health care. The Health Authorities Act was proclaimed in early 2001.

District Health Authorities are responsible to the Minister of Health for planning, managing, delivering, and monitoring hospital, public health, addictions, and mental health services. They help Nova Scotians get the services that best meet their needs, through physicians, nurses, and other health professionals in a variety of health service settings.

In 2000–01, DHA boards were appointed, CEOs were hired, and operations started. The transition from the regional health board to the DHA structure was accomplished without disrupting services to Nova Scotians.

The legislation also formalized the planning and advisory role of 37 Community Health Boards (CHBs). Two-thirds of the volunteer members of DHA boards are nominated by Community Health Boards, and DHAs are required to consider CHB health plans in their district business planning. Regulations completed in 2000–01 define the CHB nomination process for DHAs and the CHB member selection process.

The act emphasizes financial management and accountability in the health care system. DHAs are required to make regular financial and operational reports to the Minister and to submit audited financial statements to their boards and the Minister of Health every year.

Health Services Planning

The Department of Health released *Making Better Health Care Decisions for Nova Scotia*, the report of the Clinical Services Steering Committee, on February 15, 2001.

The committee looked at the characteristics of populations in each District Health Authority, the demands and trends in the use of health resources, and the current distribution of hospital services. Using the criteria of sustainability, quality, access, and affordability, the committee focused on how to make sure services meet local as well as provincial needs.

A key objective was to devise a reliable, long-term health services planning method for use by the DHAs and the Department of Health. The committee developed a planning tool that considers care needs along with the availability and distribution of services. It ensures that decisions about health care services are based on the best available evidence about the need for care, the methods for providing it, anticipated outcomes, and cost-effectiveness.

The committee's conclusions were used to categorize the province's hospitals into five key groupings, according to the service demands of the populations they serve and the complexity of the care they provide.

Emergency Health Services

Nova Scotia's emergency health services are an integral part of the regional structure of health care service delivery. Highly trained staff are in place to respond to emergencies from the time a phone call is made until a patient reaches the appropriate health-care facility.

Response times—measured from the moment a call is received by the dispatch centre to the vehicle's arrival at the emergency scene—are critical to the survival and health of the patient. Nova Scotia Emergency Health Services (EHS) had a consistent response time of about 10 minutes during 2000–01.

Nova Scotians are more likely than before to survive an out-of-hospital emergency, such as a cardiac arrest. Survival rates improved from 2.7 per cent in 1998, to 5.5 per cent in 1999, to 6.9 per cent in 2000.

Nova Scotians are also more likely to get the type of transportation they need to get timely access to health services. Emergency Health Services flew 514 transports during 2000–01, up from 258 in 1996–97 and 381 in 1998–99.

EHS personnel continue to receive extensive training to make sure they can perform their role. As of March 2001, more than 4,000 emergency personnel, e.g., police, firefighters, military, had been trained to assist EHS Lifeflight in selecting, setting up and controlling a safe and appropriate landing zone for emergency medical evacuations.

Approximately 1,200 professionals participated in courses offered by the Atlantic Health Training and Simulation Centre, which EHS operates in partnership with the Queen Elizabeth II Heath Sciences Centre (QEII). The centre's Human Patient Simulator helps physicians, paramedics, and nurses develop hands-on, critical-thinking skills in a risk-free environment.

A province-wide trauma registry was launched in April 2000. This registry collects data related to injuries, which is

important for planning emergency services as well as injury prevention initiatives such as bicycle helmet education and enforcement.

Services for Seniors

In 2000–01, the Government of Nova Scotia launched a process to develop a clear vision and action plan to meet the needs of an aging population.

Programs for seniors were concentrated at the Department of Health in order to build an integrated, accessible, and user-friendly service. On April 1, 2000, the Department of Community Services transferred responsibility for residential care facilities and community-based options for seniors, as well as its Adult Protection Program.

To improve seniors' access to continuing care services in Nova Scotia, the department launched a pilot project to provide single-entry access (SEA) to home care, long-term care, small options homes, community residences, and residential care facilities. The single assessment avoids unnecessary duplication, identifies the most appropriate care or service option, and is tailored to the individual client.

The SEA pilot sites in Districts 7 and 8 were launched in the fall of 2000, and by the end of March 2001, they had succeeded in improving needs-based access by seniors to appropriate and cost-effective services.

Mental Health

In June 2000 the Government of Nova Scotia released *Mental Health: A Time for Action*, a comprehensive report on mental health services.

The report was supportive of more community-based mental health services and an increased focus on services for children and youth. It made a number of recommendations for improving the mental health system through better distribution of mental health programs and services in Nova Scotia and better integration of mental health services within a community-based health-care system. A steering committee, with representatives from care provider organizations, consumer groups and non-governmental organizations across the province, was appointed and charged with the task of developing an implementation plan.

The Departments of Health and Community Services continued to develop and coordinate a community-based mental health services continuum for children and youth to ensure that children have support in the community when they need it.

The Children and Youth Action Committee (CAYAC), a collaboration of the departments of Justice, Health, Education, and Community Services, the Sport and Recreation Commission, and the Youth Secretariat, facilitates and encourages a coordinated approach to service delivery. Among programs offered is the Early Intervention Services Committee which coordinates efforts to enhance services for children with autism.

Treatment and Services for Serious Illness

Cancer Care Nova Scotia (CCNS), the coordinating body that develops programs and services to improve cancer outcomes, moved forward in 2000–01 with programs to improve treatment and service delivery for cancer patients. The goal is to ensure that the disease is neither as prevalent nor as daunting to Nova Scotians as it has been.

CCNS established Cancer Site Teams—one designated for each of 14 different types of cancer. A variety of experts—physicians, nurses, pharmacists, and other health professionals—are part of each team. They review patient treatment plans and develop clinical standards for diagnosis and treatment.

In partnership with the QEII Cancer Care Program and the Cape Breton Cancer Centre, CCNS established outreach cancer clinics in Yarmouth, Antigonish, and New Glasgow. Planning also started for district cancer programs to bring patient care and treatment closer to home.

The programs focus on strengthening cancer prevention, educating cancer care professionals, providing better information to cancer patients, their families, and their care-givers, and guiding patients through their treatment.

Health Promotion

The Government of Nova Scotia developed a number of programs in 2000–01 to promote good health for all Nova Scotians.

Activities include the promotion of breastfeeding, healthy eating, and physical activity, as well as tobacco control and addiction management.

The tobacco control strategy was developed following wide consultation across the province. Key components relate to taxation, legislation/policy, treatment/cessation, community-based programming, youth smoking prevention, media/public awareness, monitoring, and evaluation.

A three-year pilot project has been launched in two schools and communities to study how to decrease youth involvement with alcohol, other drugs, and gambling.

The Sport and Recreation Commission started planning a provincial physical activity strategy. A framework for a province-wide study on children's activity levels was also developed.

Health Information Systems

The Government of Nova Scotia progressed in 2000–01 in developing information technology systems to support all parts of the health-care system—from those who manage the health-care budget to the individual Nova Scotians who use health care services.

These systems are needed to manage costs, monitor practice standards, and promote informed decision making by health system managers, care providers, and ultimately, patients. They are also necessary to comply with national reporting standards on health care outcomes.

The Department of Health worked in partnership with Nova Scotia health provider organizations and with other Atlantic provinces to develop and share best practices and, where appropriate, common standards.

Health Infostructure Atlantic (HIA), with funding participation by Health Canada, implemented improvements to tele-radiology and information management support to the single-entry access and case management functions in home care and long-term care.

Work was started on a common client registry for health services and a case management approach for single-entry access for continuing care services

As well, a Hospital Information Systems Advisory Committee was established to provide advice and expertise in this area.

Moving to Self-Sufficiency

Employment Support and Income Assistance

In 2000–01, the Government of Nova Scotia made significant changes to income assistance and employment support programs, so that Nova Scotians who receive income assistance are linked to sustainable opportunities made possible by harmonized programs and services.

Legislation to support a new single-tier income assistance program was passed in November 2000. This replaced two pieces of outdated and confusing legislation that had long been a barrier to common-sense decision making.

The Employment Support and Income Assistance Act enables people to make the transition to employment so that they and their families will have the opportunity to participate in our economy. Regulations to support the Employment Support and Income Assistance programs were passed in February 2001.

Child Care

The new Employment Support and Income Assistance programs provide enhanced support for child care and transportation, as well as incentives to link income assistance recipients to employment. They include a standard benefit for children in low-income families, to make it easier for parents to remain in the work force and for families with children to leave income assistance.

In July 2000, 50 portable subsidized child-care space were funded under Healthy Child Development Initiatives, the reinvestment strategy for the National Child Benefit. Building on the Child Care Portability Project implemented in 1999–2000, these spaces enable families to get training and/or employment.

The Department of Community Services sponsored about 130 single parents to attend a full range of Nova Scotia Community College programs during 2000–01.

An Interdepartmental Labour Market Information Committee was established to address labour market information needs within the province. A federal/provincial committee is also in place to ensure that activities are coordinated and to examine opportunities for joint initiatives.

A Community Partners Program is in place to establish children's prevention programs. Initiatives are related to child nutrition, early childhood language development, comprehensive screening for risk factors, and support to families who are overburdened.

Throughout 2000–01, new funding enabled the development and/or expansion of Early Intervention Programs that serve families of children with disabilities. In spring 2001, work was under way to extend early intervention services to more areas of the province.

Annual Accountability Report

Government Restructuring and Accountability Measures

Goal: To provide responsible, accountable governance

Significant Accomplishments

- Accountability provisions legislated in Financial Measures (2000) Act
- Business planning and accountability reporting process expanded
- Major restructuring of government departments
- Review of agencies, boards, and commissions

Promoting Accountability in Government

The Government of Nova Scotia made some major changes to its structure and operations in 2000–01 to promote efficient and client-centred service delivery, reduce the size of government, and improve accountability.

- A major restructuring and realignment of functions in many departments served to both reduce the size of government and promote efficient and client-centred service delivery.
- The government took steps to strengthen accountability at all levels in 2000–01. Accountability provisions of the Financial Measures (2000) Act promote good policy making, careful spending, and comprehensive reporting of government progress.

  Specifically, improvements were made to the process for planning programs and expenditures. Annual accountability reports, for example, are required to measure results of efforts to achieve business plan goals and objectives.
- A project was launched to improve accountability for funds provided to agencies and organizations, which collectively receive a significant amount of government funding. The departments of Community Services, Health, Education, and Justice developed standardized criteria for grant eligibility and reporting of outcomes. Focus groups were held with department staff and representatives from agencies and organizations to solicit feedback on the proposed policies and procedures. Implementation of the new agency accountability framework is scheduled for 2002.

- Treasury and Policy Board (TPB), a new Cabinet committee, was created in 2000–01 to replace the Priorities and Planning Committee. It was given a new mandate to enhance coordination of government-wide policy development and planning and to better link implementation of government priorities to expenditures.

In 2000–01, a reorganized TPB office oversaw the production of business plans at all levels to implement government goals and priorities for the year 2001–02.

A Government Business Plan was published in March 2001 for the 2001–02 fiscal year, which includes outcome measures. The business plans of all departments, most Crown corporations, and many agencies were also published.

Government Restructuring

The government restructuring plan was announced in the spring of 2000, and most elements of the original restructuring plan were completed as planned by the spring of 2001.

A steering committee of deputy ministers oversaw the implementation of restructuring plans. An important role was to review initiatives from a corporate perspective to ensure that they met government goals and objectives. Departments were encouraged to build lean organizations capable of realizing their mandates.

The main features of the restructuring involved merging six departments into three and transferring portions of some department functions to other, more logical places. The changes were to be formalized in the Government Restructuring (2001) Act in the spring of 2001.

Restructuring measures were implemented only if they were seen to improve the efficiency and cost-effectiveness of operations. Office relocations and renovations, as an example, took place only in instances where there were likely to be cost-savings and/or more efficient program delivery.

The 2000–01 restructuring served to make government smaller overall, combine similar activities, and promote efficient decision making and service delivery. Overall, the changes helped departments reduce operating expenditures and meet budget targets—especially in the area of administration—while ensuring that Nova Scotians continue to receive core government programs and services.

By the spring of 2001, government consisted of 13 departments, as well as a number of key offices, including Treasury

and Policy Board, the Petroleum Directorate, Aboriginal Affairs, and the Public Service Commission.

Restructuring Overview

Agriculture and Fisheries
The merger of two former departments took place as planned on October 16, 2000. The new structure blended the strengths of the two former departments to minimize duplication and promote better service delivery to clients. Delivery of some non-core services was turned over to the agricultural industry.

Community Services
Community Services took on Housing Services on August 1, 2000, positioning itself to better meet the social needs of low-income individuals and families.

The department transferred three programs to the Department of Health in April 2000: Residential Care Facilities, Community-Based Options, and Adult Protection, enhancing coordination of programs between the Departments of Health and Community Services.

Original plans to rename the department were not pursued, for cost and other reasons.

Economic Development
The government moved forward in 2000–01 with an economic strategy and new structure to support it. Following the October 2000 launch of the strategy document, *Opportunities for Prosperity*, legislation was passed to establish Nova Scotia Business Incorporated. The new structure, to be phased in through 2001–02, separates the operational arm of Economic Development—finance, lending, business retention and expansion, investment and trade—from the policy arm.

Economic Development also took on responsibility for the Education Marketing division of the Department of Education. Government did not proceed with original plans to move the business development functions from the Technology and Science Secretariat to Economic Development.

Education
The Department of Education made some structural changes to clarify focus on the two primary areas of responsibility—public schools and higher education and adult learning—and to reduce administration in the delivery of educational services.

Responsibilities for a number of functions were redistributed to better coordinate similar and related activities. Three senior executive directors were appointed to oversee these consolidated areas, linking

- universities, community colleges and adult learning
- public school program delivery, along with regional education and testing and evaluation
- administrative functions, such as finance, facilities management, IT, and human resources

The Nova Scotia Council on Higher Education was replaced with the Nova Scotia Advisory Board on Colleges and Universities. The new board continues the council's work with universities and takes on new responsibilities for community colleges and student assistance.

The branch responsible for marketing education services was transferred to Economic Development to facilitate greater coordination in marketing Nova Scotia in other countries—either for business development or to encourage foreign students to apply to our post-secondary institutions.

Environment and Labour

The Departments of Environment and Labour were merged as planned. The new department took on responsibility for the financial institutions section of the former Department of Business and Consumer Services, the Pension Regulation section of the Department of Finance, and the Alcohol and Gaming Authority. The Minister of Environment and Labour also has responsibility for the Nova Scotia Securities Commission, the Nova Scotia Utility and Review Board, the Workers' Compensation Board of Nova Scotia, and 14 other agencies, boards, and commissions.

There was a minor change in the original plan: the Labour Standards Division continues as a separate division to ensure independence from the Labour Standards Tribunal. Also, the name originally proposed for the new department—Environment, Labour, and Regulatory Affairs—was shortened for practical reasons.

The total number of divisions in the combined departments (and agencies) was reduced from 19 to 12. Parallel functions, such as policy, information and business services, and communications, have been consolidated. A number of other previously separate but functionally aligned divisions have also been combined.

Some regional offices were consolidated to improve efficiency of service delivery; there is a single window access to labour, environment, and alcohol and gaming services.

Department of Finance
Restructuring related to the Department of Finance proceeded as planned. Procurement was transferred to Transportation and Public Works; Pensions Regulations was transferred to Environment and Labour; and corporate expenditure control and monitoring was transferred to Treasury and Policy Board.

In addition to these changes, the internal audit function for all of government was centralized within the Department of Finance. Restructuring or realigning of the above-noted responsibilities maintains like responsibilities and accountabilities in the appropriate departments.

Department of Health
There was no formal restructuring announced for the Department of Health in 2000–01. However, some structural activities laid the groundwork for improved financial accountability and management in the health sector.

- District Health Authorities were established.
- Home care functions were consolidated in the department to enable the Single-Entry Access initiative.
- The Senior Citizens' Secretariat became the responsibility of the Minister of Health.

The Sport and Recreation Commission was originally destined for alignment with the Department of Health, but this was later shifted to Tourism and Culture.

Intergovernmental Affairs
The staff complement of IGA was increased to reflect government's recognition of the importance of government-to-government relations.

The key functions in 2000–01 were

- federal-provincial relations—managing the many issues involving the federal government's relations with the government of Nova Scotia
- launch of the first phase of the Campaign for Fairness
- regional relations—managing regional issues, including those before the Council of Atlantic Premiers and the Conference of New England Governors and Eastern Canadian Premiers
- preparation of first phase of the Laurentian Sub-basin case

Justice
There was no restructuring of the Department of Justice in 2000–01. Plans to move enforcement officers from the Department of Natural Resources were not pursued for operational reasons.

Department of Natural Resources
The structure of the Department of Natural Resources did not change significantly in 2000–01, although the size overall was reduced.

Proposed changes involving the enforcement program and parks were carefully reviewed, and it was determined there would be no efficiencies gained and a possible negative impact on service delivery and cost savings. Therefore, they remain at DNR.

However, the review of parks operations did identify a need for closer collaboration on marketing with Tourism, which has been put into practice.

Service Nova Scotia and Municipal Relations
The former Departments of Business and Consumer Services and Housing and Municipal Affairs were merged as planned, with Housing Services going to Community Services.

Service Nova Scotia and Municipal Relations offers streamlined and accessible government services. It is designed to be the leader in e-government, to be responsive to customers, and to explore options for innovative delivery of government services.

SNSMR was well placed to work with municipalities on many levels. The department pursued opportunities to collaborate on service delivery, especially in rural areas. Groundwork was done in 2000–01 to launch three full-service Registry of Motor Vehicles counters in Shelburne, Guysborough, and Liverpool.

Department of Tourism and Culture
In 2000–01, the department started implementation of the merger of Tourism with the Culture section, which had been moved in 1999 from the Department of Education.

An internal restructuring was undertaken to promote better coordination between like areas: there is now a single integrated Tourism Division focused on tourism programming and resources, and tourism planning, development, and operations are linked with tourism marketing.

Transportation and Public Works
Restructuring went as planned. The department took on responsibility for utilities, procurement, and postal services for government, as well as the operational components of the Technology and Science Secretariat. TPW reorganized its internal structure on January 31, 2001, reducing from five divisions and support sections to four. Responsibilities for real property were folded into other divisions.

Public Service Commission/Department of Human Resources
Plans were made in 2000–01 to transform the Department of Human Resources into a Public Service Commission, giving it a revised mandate to promote accountability in the public sector.

Measures to formally create the commission and broaden its responsibilities for labour relations in the public sector were to be included in the Government Restructuring (2001) Act.

Government of Nova Scotia Structure, Spring 2001

Departments

Department of Agriculture and Fisheries
Department of Economic Development
Department of Environment and Labour
Department of Health
Department of Justice
Service Nova Scotia and Municipal Relations
Department of Transportation and Public Works
Department of Community Services
Department of Education
Department of Finance
Intergovernmental Affairs
Department of Natural Resources
Department of Tourism and Culture

Central Government Offices

Office of the Premier
Treasury and Policy Board
Public Service Commission
(formerly the Department of Human Resources)
Executive Council Office
Communications Nova Scotia

Offices *(Separate Public Service Votes)*

Aboriginal Affairs
Human Rights Commission
Office of the Auditor General
Petroleum Directorate
Public Prosecutions Service
Senior Citizens' Secretariat
Emergency Measures Organization of Nova Scotia
Nova Scotia Advisory Council on the Status of Women
Office of the Ombudsman
Protocol Office
Sport and Recreation Commission
Technology and Science Secretariat

Review of Agencies, Boards, and Commissions

The government restructuring effort in 2000–01 was complemented by a review of agencies, boards, and commissions (ABCs).

The Budget Speech on April 11, 2000 said an ABCs review will ensure that "they serve a legitimate purpose and that they achieve good value for every dollar spent. Those that don't will be eliminated. Others with 'like' functions will be merged."

A senior government committee was formed in 2000 to oversee the review. Following consultation with deputy ministers and department staff, the committee prepared a list of recommended eliminations, consolidations and further reviews.

The review illustrated the difficulties in monitoring and managing a lengthy list of ABCs as well as the need for a rationale for inclusion on a master list. For example:

- Agencies listed ranged in importance from defunct committees with no spending power to regional health boards with large budgets and legislated accountabilities.
- A number of ABCs were essentially inactive and had no cost to government; therefore activities to eliminate them have the potential to incur unnecessary costs.
- Some ABCs listed were within federal or other jurisdiction; therefore, the provincial government has limited capacity to adjust their mandates or eliminate them.
- Some ABCs should not be considered for elimination as they perform a specific regulatory or legislative purpose, such as protecting the public.

The committee completed its review in March 2001. It recommended that 67 ABCs should be subject to further review for matters such as improvement to mandate, structure, reporting relationship, and efficiencies; consolidation; and mandated legislative requirements. Treasury and Policy Board staff assumed responsibility for Phase II of the review project, with a mandate to

- establish a classification system for ABCs and classify each of the current ABCs according to its function and its degree of involvement with and reliance on government
- recommend methods and mechanisms for ensuring greater accountability by ABCs

- review the process for selecting and appointing members to ABCs
- provide guidelines for the remuneration of appointees to ABCs
- follow up on recommendations of Phase I of the review project
- implement a means to develop an appropriate list of ABCs

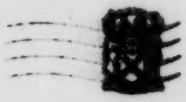
Nova Scotia Liquor Commission Review

A number of significant changes began at the Nova Scotia Liquor Commission during 2000–01. Government undertook a review of the operations and structure of the NSLC to determine the future model for liquor retailing and distribution in Nova Scotia. As a result of that review, government announced a number of initiatives aimed at improving selection and service to customers, increasing accountability for the management of the NSLC, and providing for evolution of the organization.

A key part of the initiative was the announcement that the commission structure would be dissolved and replaced with that of a new Crown corporation. The expanded board structure of the new Nova Scotia Liquor Corporation would greatly improve corporate governance and allow the board to more closely oversee the activities of the corporation. Legislative changes planned as part of the transition also provided for enhanced business planning and reporting to government by the new board. The Crown corporation model would place the new NSLC more at arm's length from government and allow day-to-day operational matters to be handled like those of any other commercial enterprise. These changes, designed to improve both accountability and performance, were scheduled to be put in place in the 2001–02 fiscal year.

In addition, the Auditor General conducted a review of NSLC operations as part of his 2000 Annual Report. The results of the review were generally positive. Several areas where accountability and reporting could be improved were noted, however. The recommendations contained in the Auditor General's report were forwarded to the Minister responsible for the NSLC for his consideration and possible implementation in the 2001–02 fiscal year.

Annual Accountability Report



Education as the Foundation

Goal: To provide Nova Scotians with opportunities to learn throughout their lives, so they can continue to succeed in a rapidly changing world

Significant Accomplishments

- Launch of the Active Young Readers program to promote literacy skills in grades primary to 6
- Development of the Nova Scotia School for Adult Learning and Nova Scotia High School Diploma for Adults
- Progress on public school construction and end of P-3 construction process
- Internet access extended to all public schools
- School supply grants provided to low-income families
- Advisory Board on Colleges and Universities created

Government started developing a Literacy Success Strategy in 2000–01 to support the development of strong literacy skills in Nova Scotia graduates and promote learning in every aspect of people's lives.

As part of the strategy, the Department of Education introduced Active Young Readers (*Jeunes lecteurs actifs*) for grades primary to 3 in English, Acadian, and French immersion schools. This initiative ensures that students in those grades have an uninterrupted block of time focused on reading instruction, reading, and related activities.

In fall 2000, the Government of Nova Scotia announced the creation of the Nova Scotia School for Adult Learning and the Nova Scotia High School Diploma for Adults. Program development was geared to having delivery partners begin in late 2001 to accept students who will be working toward the new Nova Scotia High School Diploma for Adults.

Work also proceeded on new initiatives to improve quality, establish and enforce standards, and enhance accountability throughout the education sector. In 2000–01, preliminary research and consultation took place to identify areas of greatest need and options to address those needs, which would be feasible, effective, and affordable in future.

School Construction and Improvements

The Government of Nova Scotia decided in 2000 to end the practice of public-private partnership (P-3) school construction in order to tighten controls over project budgets, design standards, and cost overruns. Some $32 million in unanticipated construction costs had accumulated under the P-3 system, beyond the total budgets approved by government for construction contracts.

The government committed to building 17 new schools over the next four years, using the design-build approach. Private companies design and build schools, but school boards operate and own the schools. The province sets budgets and standards and arranges financing.

New design standards were developed to focus on the educational needs of students. The School Capital Construction Committee was also revived to set priorities based on the highest need for renovations and school construction projects. The Department of Education and the regional school boards, through the committee, reviewed capital construction and renovation needs and made recommendations to government concerning school capital expenditures.

The government continued efforts to improve public school buildings across the province, in an ongoing effort to provide safe and healthy schools. Projects focused on enhancing and/or replacing major building components, as well as addressing major environmental issues in school buildings.

In the 2000–01 fiscal year, 23 of 32 planned new schools were completed at a total value of $224,551,000, and all were scheduled for completion by fall 2001. Four additional schools were scheduled for major retrofits or additions, and construction was planned for seven new school projects in 2001–02.

The Government of Nova Scotia made significant progress in making homogeneous French first-language school facilities available across the province. The Conseil scolaire acadien provincial took control of the Isle Madame District High School, and construction was planned for a new Ste. Anne du Ruisseau school. By fall 2001, the Conseil scolaire was expected to have separate facilities for French first-language instruction throughout its province-wide system.

Public School Programs

The Government of Nova Scotia continued efforts to ensure that Nova Scotian public school students have more access than ever to information technology. By June 2000, all schools across the province had been connected to each other and to the world through the Internet. The Information Economy Initiative (IEI), a $73.4-million provincial and federal government project, had invested $38.2 million in 6,200 computers, Internet access, and software for 181 junior and senior high schools.

The Department of Education worked with other Atlantic provinces in curriculum development. In 2000–01, Atlantic Canada mathematics and science courses were implemented in specific grades.

The department also worked with school boards in 2000–01 to find ways to maintain favourable classroom student/teacher ratios in the elementary schools, in particular by minimizing staff reductions at the P-6 level. Overall, the student/teacher ratio has dropped slightly over the last few years, from 17.5 in 1996–97 to 16.5 in 1999–2000.

The Department of Education launched a process to review the implementation of Nova Scotia's special education policy.

The Government of Nova Scotia announced a plan in fall 2000 to provide extra funds for Nova Scotia families on income assistance to help buy school supplies. Families received $50 for each child aged 5 to 12 years old and $100 for each child 13 years and over who are registered and attending public schools.

School Board Accountability

Government launched a school board pilot project in the southwest region, testing a new governance model in Nova Scotia. Two elected district boards were created, each with responsibility for educational programs and services, as well as a regional board with overall responsibility for administrative services.

The CEO of the Southwest Regional Board reports directly to the Department of Education. An evaluation of this pilot was scheduled for 2001–02.

The Government of Nova Scotia amended the Education Act in spring 2000 to permit members of the black community to have separate seats on school boards across the province. The first black school board members were elected in school board elections in fall 2000.

Higher Education

The Government of Nova Scotia replaced the Nova Scotia Council on Higher Education with the Nova Scotia Advisory Board on Colleges and Universities to help the province's post-secondary education system be more responsive to the needs of students and the economy.

The board ensures that students can move more freely between community colleges and universities, to help build the province's capacity to prepare Nova Scotians for the changing job market.

Complementary changes were made to the Department of Education's structure to combine responsibility for higher education, community colleges, and adult learning into one branch.

Nova Scotia's higher education institutions were encouraged to consider collaborative arrangements to enhance program offerings, best meet the needs of students, and explore the potential to save money—particularly administrative costs. Talks took place in several venues on this subject.

The Collège de l'Acadie and Université Ste-Anne worked towards a merger to ensure a high-quality French post-secondary education system in Nova Scotia. The two boards of governors approved, in principle, the full integration of the two institutions.

The Atlantic School of Theology (AST) engaged in discussions with Saint Mary's University (SMU) about an affiliation to strengthen AST's academic programming and allow for the development of new programs in cooperation with SMU. Administrative costs would be reduced over time. This collaboration was also approved.

The Council of Maritime Premiers has conducted a review of the Maritime Provinces Higher Education Commission. The Department of Education is awaiting the outcome of this review.

The Nova Scotia Community College (NSCC) has been working to develop a closer alignment between apprenticeship training and college core programs in the trades. The Virtual Campus at NSCC has grown, providing access to more on-line courses.

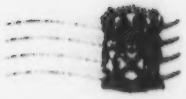
The Nova Scotia School of Fisheries and Aquaculture officially joined the Nova Scotia Community College in April 2001 and now reports through the NSCC Strait Campus as the NSCC School of Fisheries (SOF). The Nautical Institute and SOF started planning joint training initiatives in marine safety, which were anticipated to attract more students.

A total of $6.7 million in Canada Foundation for Innovation (CFI) grants was awarded to Nova Scotian higher education institutions in 2000–01, along with $1.5 million in matching funds from the Economic Diversification Agreement. These funds enhance innovation, promote private-sector involvement in research and development, and help the province retain the best university researchers and teachers.

International Education Conference

The Government of Nova Scotia hosted education ministers and officials from 50 Commonwealth countries at the 14th Conference of Commonwealth Education Ministers in Halifax, November 26–30, 2000. More than 250 delegates attended the conference to discuss how to provide good quality learning opportunities to all citizens of the 54 Commonwealth countries.

Annual Accountability Report



Business, Social, and Environmental Conditions

Goal: To create conditions that help the economy grow. To foster an environment that allows and encourages Nova Scotians to work, live, raise families and stay in Nova Scotia.

Significant Accomplishments

- Economic growth strategy, *Opportunities for Prosperity*, released
- Nova Scotia Business Incorporated created
- Tourism Strategy released
- Energy Strategy started
- Red Tape Reduction Task Force continues

Economic Strategy

In 2000, the Government of Nova Scotia released *Opportunities for Prosperity*, the province's first economic development strategy in a decade. This was the result of a province-wide consultation, with some 100 sessions, on what citizens wanted in an economic development strategy.

Opportunities for Prosperity defined the following vision: "A thriving Nova Scotia that by 2010 is the best place in Canada to live, work, do business, and raise families."

The strategy identified seven strategic directions, confirmed the vitality and importance of the province's foundation industries, and highlighted five growth opportunities—the digital economy, energy, advanced manufacturing, learning industries, and life sciences. The strategy also spelled out a number of short- and long-term activities.

Goals of the strategy include

- making it easier for business to start and grow, creating income and jobs
- creating a strategic infrastructure for economic development
- strengthening the innovation system in Nova Scotia
- ensuring the labour force is able to take advantage of opportunities
- increasing investment, both local and external
- actively encouraging Nova Scotian exports
- supporting regions as they take charge of their own futures

Legislation was passed in fall 2000 to move forward with a major restructuring of the Department of Economic Development, a key feature of *Opportunities for Prosperity*. Nova Scotia Business Incorporated, a business-focused Crown corporation, to be governed by a private-sector board of directors, was created.

Working within the framework of the Economic Growth Strategy, Nova Scotia Business Inc. will promote front-line business development activities, including providing support to existing local businesses and developing investment and trade opportunities. The agency will give Nova Scotia the agility and flexibility needed to build true competitiveness in the new economy.

The newly streamlined Department of Economic Development was given a clearer mandate, focusing on policy and partnership development opportunities.

Economic Development continued to work with small businesses, offering advice, navigating through rules and regulations, guiding to other sources of support, and financing some loans where necessary.

The Nova Scotia Business Opportunities Initiative was created to encourage the competitiveness of businesses in Nova Scotia by communicating opportunities for business through enhanced electronic connectivity. This partnership, led by the Departments of Economic Development and Transportation and Public Works, involves federal departments, regional development authorities, chambers of commerce, boards of trade, the Canadian Federation of Independent Business, and the Canadian Association of Manufacturers and Exporters.

The strategic directions of *Opportunities for Prosperity* have helped inform business planning both in the department and across many other departments and sectors.

Promoting Foundation Industries

Opportunities for Prosperity confirmed the importance, potential, and dynamism of the foundation industries: forestry, mining, fishing, agriculture, tourism, and culture.

Nova Scotia's natural resources are one of the province's features that make it an attractive place to live, do business in, and visit. They provide significant economic, social, cultural, and environmental benefits for all Nova Scotians, and especially to the rural parts of the province. Nova Scotia has a combination of a strong resource base and a good business climate. Moreover, many of Nova Scotia's resource-based industries are

modern operations that use sophisticated, automated, computerized machinery and equipment.

In 2000–01, government promoted natural resource stewardship and sustainable resource development through the proclamation of amendments to the Forests Act, along with Forest Sustainability Regulations. Government continued the development of an integrated resource management (IRM) planning process for Crown land resources, so that long-term sustainable benefits are optimized and conflicts among resource users are minimized.

The Department of Natural Resources also worked to promote and coordinate joint stewardship agreements with industry and land owners that generate public and private funding for private land silviculture activities. Fourteen stewardship programs (both regulatory and voluntary) were in operation in 2000–01. The province funded a pilot program with the Association of Sustainable Forestry, a joint venture of woodlot owner and industry associations.

Tourism

The development of Nova Scotia's tourism industry also builds on priorities identified in the province's economic growth strategy. In 2000–01, for the fourth consecutive year, tourism revenues surpassed the billion-dollar mark. Revenues were estimated at $1.25 billion in 2000–01, a drop of about 1 per cent compared to the previous year. Visitation numbers were down by about 2 per cent as well, with non-resident visitors surpassing 2.1 million.

The Department of Tourism and Culture produced a long-term provincial Strategy for Tourism, developed in partnership with the Tourism Partnership Council and industry stakeholders. It was released at the annual tourism industry conference in November 2000.

The Departments of Tourism and Culture and Natural Resources jointly considered improvements to provincial parks facilities and infrastructure to improve access to park facilities and enhance outdoor recreation experiences for residents and visitors. In 2000–01, more than $320,000 was invested in parks improvements.

The Department of Tourism and Culture launched a project in 2000–01 to find a private-sector management partner for the provincially owned Signature Resorts.

Rural Development

The Government of Nova Scotia has worked closely with the Government of Canada and many other community development partners to develop solutions for communities undergoing economic transition. Community Economic Development Investment Funds were promoted to assist capital needs in small businesses.

Programs were also in place to support rural and community priorities, including investments in tourism development and marketing, cultural industries and organizations, and community museums.

Energy Strategy Project

An Energy Strategy Team, made up of members from the Department of Natural Resources and the Petroleum Directorate, was put in place to guide the development of an energy strategy for Nova Scotia. Initial planning and research led to the preparation of a discussion document, which was released in late March 2001. A communications and consultation plan was prepared, which included province-wide consultations. The strategy was targeted for completion late in 2001.

Red Tape Reduction

Following consultations in fall 2000, the Red Tape Reduction Task Force released an interim report of its findings and recommendations. The interim report identified ways to improve service delivery and create a climate that allows business to flourish, while ensuring protection for workers, the public, and the environment.

Throughout the year, the task force continued to receive public input and held consultation meetings with business and labour. Meetings were then held with government officials to bring forward the concerns of business and labour and to champion the need for red tape reduction and service improvements. Departments were monitored for progress on various tasks and activities, especially in the area of service improvement.

The task force also developed, in consultation with the Legislative Review Committee, a Regulation Criteria Checklist. Departments will use the checklist as an assessment tool to develop new regulations and for the ongoing review of regulations that affect business.

Nova Scotia Business Registry

The Nova Scotia Business Registry makes it easier for Nova Scotians to conduct business with the government, by facilitating electronic service delivery. In 2000–01, work was under way to expand its service to other government departments and agencies, and significant progress was made in developing the Web interface.

Process improvements were also made to ensure data integrity and synchronization with the Worker's Compensation Board and Canada Customs and Revenue Agency information. Business clients benefitted from a central processing function, which ensures that licences, permits, registrations, and certifications are processed in a timely and efficient manner.

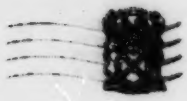
Access Nova Scotia

Government also increased the use of Access Nova Scotia Centres by exploring co-location options with other departments. In 2000–01, Registry of Motor Vehicles transaction services were added to existing Registry of Deeds offices in municipal government buildings in Liverpool, Shelburne, and Guysborough. Other locations were under consideration, and Service Nova Scotia and Municipal Relations was exploring co-location opportunities with other departments.

Government made considerable progress in 2000–01 in increasing electronic delivery of services to Nova Scotians. Plans were developed for on-line vehicle registration renewal and change of address at the Registry of Motor Vehicles, as well as for requesting Vital Statistics certificates.

By March 2001, these on-line service transactions were available for customers, and feedback received was overwhelmingly positive. An e-service action plan was also developed with a number of new on-line transactions scheduled for 2001–02.

Government also further consolidated Telephone Information Centre services to handle inquiries for all departmental programs and evaluate opportunities for handling calls for other departments.



Conclusion

The *Annual Accountability Report 2000–01* represents a major step in improving accountability in the Government of Nova Scotia.

Legislation has made such annual reporting formally part of our business planning process. In future years, more agencies and Crown corporations will be required to produce accountability reports.

This document gives an overview of government activities and accomplishments. A more complete summary of programs and services is available on the Internet in the departmental accountability reports. See the Nova Scotia site index, (http://www.gov.ns.ca/gov_index.asp), for links to the departmental websites.

The *Annual Accountability Report* is meant to be a companion document to the *Province of Nova Scotia Public Accounts for the Fiscal Year 2000–2001* (http://www.gov.ns.ca/finance/publish/pacts/01vol1.pdf), which gives full details of the government's financial performance.

The Government of Nova Scotia accomplished a great deal in 2000–01, both in the number and scope of initiatives. These accomplishments represent the foundation for progress in future years.